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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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C-65 WORLD COTTON PROSPECTS December 29, 1930

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SUMMARY

The failure of business in general to improve following the improvement in the domestic cotton textile industry in September and October, the dropping off in cotton exports, and the continued world-wide depression were depressing factors in the cotton price situation during the past month. As a result there were declines in spot prices of 0.81 to 3.55 cents in the important growths from November 14 to December 12. The greatest decline was in Egyptian Sakellaridis and the smallest decline in Brazilian. Futures prices of American cotton declined 1.48 to 1.78 cents per pound from November 13 to December 13 in the New York, New Orleans and Liverpool markets with the greatest declines in Liverpool.

The world visible supply of all growths on December 12 totalled about 9.7 million bales, 1.9 million bales above the corresponding date in 1929 and 2.3 million bales above that date in 1928. The visible supply of American on this date amounted to 7.8 million bales compared with 5.8 million and 5.7 million bales at this time in 1929 and 1928 respectively.

Exports of domestic cotton for the season, which up until the beginning of November were above last season, for the four months ending November 30, 1930 were 71,000 bales below the same period last year. Exports to France and Germany so far this season were above last season whereas exports to all other important countries were below last season.

The total movement into sight for the four months August to November, 1930 totalled about 9.7 million bales against 10.1 million bales during

this period last season. Slightly more cotton has been sent to ports than last year but much less has gone overland to mills.

The domestic cotton textile activity during November, when adjusted for the fewer working days, was about the same as during October. Textile activity in the United States in the first four months this season, however, was about 29.7 per cent below the same period last season, the average monthly rate of consumption amounting to 402,000 bales this season compared with 572,000 bales last season. Unfilled orders of standard cotton cloth decreased during November and stocks increased but both changes were less than the average seasonal changes for the four years 1927-1930.

In general the foreign textile situation is less favorable than it was a month ago, but is not without its bright spots. The mills in Central Europe have found it possible to raise output because of the very low stocks of finished goods, and in Italy the maintenance for several weeks of a favorable ratio of sales to the much reduced output has enabled a slight pick-up in spite of the fact that stocks are still large.

The sharp curtailment in cotton yarn production in Japan has widened spinners margins. These wider margins have caused Japanese production to increase some, and, together with the lower prices of silver, are resulting in imports of Chinese yarn into Japan. Purchases of raw cotton are only for immediate requirement, and as coarse yarns are finding a readier market because of the hard times, the proportion of American cotton used has decreased.

The December forecast of the domestic production for 1930 of 14,243,000 bales reduced the prospective supply of American cotton for the season by about 195,000 bales. The estimated production for 1930 in those countries reporting to date is slightly below production last year and the same is true of the 1930 acreage.

## Prices

### Spots

Prices of spot cotton in both the American and foreign markets for domestic as well as foreign growths declined rather steadily during the past month. The price of American middling 7/8 inch cotton declined 1.59 cents per pound from November 13 to December 15 with the average price on December 15 of 8.58 cents per pound which was a new low for the season and was the lowest since August, 1915. Since then prices have strengthened some with the average in the 10 markets on December 17 at 9.08 cents per pound. Prices of American cotton in most of the important spot markets moved very much in line with the average of the 10 markets.

In the Liverpool market the greatest decline during the period from November 14 to December 12 was made in Egyptian Sakellaridis which made a net decline of 3.55 cents per pound. During this period Egyptian Uppers declined 1.23 cents per pound, American middling 1.12 cents, Indian Sind and Oomra 1.01 cents, Brazilian Ceara and São Paulo 0.81 cents, Peruvian Tanguis 1.01 cents and Peruvian Smooth 1.22 cents per pound.

Agricultural Commissioner Steere in his report of November 26, 1930 states that continental spinners' purchases were low in the middle of October but the rise in raw cotton prices the second half of October stimulated demand greatly and resulted in extensive purchasing of both American and Indian cotton as well as heavy price fixing. The first half of November, however, brought a general reduction in buying as a result of a weaker tendency in the raw cotton market. The competitive position of Indian cotton in relation to American on the Continent has not changed materially for a month or two but Egyptian experienced a decline from 116 per cent of American in September to 110 per cent in October and 101 per cent in November 1930.

### Futures

Prices of futures contracts of American cotton in New York, New Orleans and Liverpool made declines ranging from 1.48 cents to 1.78 cents per pound from November 13 to December 13. The New York market was slightly stronger than either New Orleans or Liverpool and Liverpool was slightly weaker than New Orleans. The declines at New York ranged from 1.48 to 1.57 cents per pound, and at New Orleans from 1.52 to 1.63 cents and at Liverpool from 1.64 to 1.78 cents per pound. The greatest declines were in the January and March contracts

## Stocks and movements

### World visible supply

The world visible supply of all growths on December 12, 1930 amounted to 9,699,000 bales compared with 7,772,000 bales and 7,413,000 bales on the corresponding dates last year and the year before according to the Commercial and Financial Chronicle. Total visible supply of American on

this date amounted to 7,803,000 compared with 5,838,000 and 5,683,000 at this time in 1929 and 1928 respectively. The visible supply of other growths at this time totaled 1,896,000 compared with 1,934,000 a year earlier and 1,730,000 two years earlier.

The greatest increase in stocks of American is at ports in the United States, but stocks at Liverpool, Manchester and on the Continent and stocks in the interior of the United States are all above a year ago. Stocks of Egyptian cotton in Alexandria continue well above last year while stocks of Indian cotton in Bombay are considerably below last year.

Table 1. - Cotton: World visible supply of American and other growths on December 12, 1928, 1929 and 1930

| Kind and location of stocks | 1928 | 1929 | 1930 |
|---|---|---|---|
| American | Running bales | Running bales | Running bales |
| Great Britain | 522,000 | 377,000 | 459,000 |
| Continental | 943,000 | 742,000 | 951,000 |
| Afloat for Europe | 614,000 | 607,000 | 428,000 |
| United States: | | | |
| Port stocks | 2,364,111 | 2,646,069 | 4,148,603 |
| Interior stocks | 1,232,683 | 1,461,857 | 1,815,747 |
| Exports today (Nov. 14) | 7,219 | 3,650 | 1,144 |
| Total American | 5,683,013 | 5,837,576 | 7,803,494 |
| East Indian, Brazilian, etc. | | | |
| Great Britain | 292,000 | 436,000 | 459,000 |
| Continental | 47,000 | 86,000 | 115,000 |
| Indian afloat for Europe | 73,000 | 103,000 | 80,000 |
| Egyptian, Brazilian, etc., afloat | 107,000 | 132,000 | 101,000 |
| Alexandria, Egypt | 447,000 | 423,000 | 673,000 |
| Bombay, India | 764,000 | 754,000 | 468,000 |
| Total East Indian, Brazilian, etc. | 1,730,000 | 1,934,000 | 1,896,000 |
| Total visible supply | 7,413,013 | 7,771,576 | 9,699,494 |

Compiled from the Commercial and Financial Chronicle.

Exports of American cotton

Exports of raw cotton during November amounted to about 903,000 running bales compared with 1,004,000 bales during October and 1,049,000 bales during November 1929 according to the Bureau of the Census. Exports for the first four months this season totaled 3,181,000 bales against 3,252,000 bales during the same period last year. Until the beginning of November the total exports for the season were larger than during the same period last year. Exports to December 1 this season to France and Germany were still above last season, but to all other important consuming countries they were below last season.

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Imports of foreign cotton

During November there were only 3,409 bales (500 pounds gross) imported into the United States, compared with 35,502 bales during November 1929 and with 1,747 bales during October 1930. Imports during the four months ended November 30 totaled 14,451 bales compared with 104,084 during this period last year. Imports from China alone have been above last year. The reductions have taken place in cotton coming from Egypt, Peru and Mexico. Undoubtedly the tariff on long staple cotton is the principal factor causing these reduced imports.

Into sight, port receipts, mill takings, etc.

During November about 2,749,000 running bales came into sight in the United States which compares with 2,682,000 during November 1929 and 2,902,000 in November 1928, according to the reports of the New Orleans Cotton Exchange. The total movement into sight for the four months August through November totaled 9,693,000 bales compared with 10,120,000 bales during this period last season. The November port receipts amounted to 1,552,000 bales compared with 1,530,000 and 1,676,000 during November last year and the year before. The total receipts for the season to the end of November amounted to 6,032,000 bales, being 308,000 bales or 5.4 per cent above receipts during this period last season. There were 142,000 bales which moved overland during November this year compared with 168,000 bales during November 1929. The total movement for the four months this season amounted to 328,000 bales compared with 531,000 bales during the same period in 1929 or a decrease of 38.3 per cent. Mill takings during November were 954,000 bales, being 190,000 bales below November 1929 and 153,000 bales below November 1928. Takings through November this season totaled 2,356,000 bales compared with 3,176,000 bales during the same period last year which is a decrease of 25.8 per cent. Stocks at ports and interior towns at the end of November totaled 6,571,000 bales, that is 1,987,000 bales above a year earlier.

Stock in consuming establishments, etc.

Stocks of raw cotton in domestic consuming establishments on November 30, 1930, totaled 1,567,000 running bales against 1,655,000 bales on November 30, 1929, according to the Bureau of the Census. Stocks in public storage and at compresses amounted to 8,398,000 bales at the end of November compared with 5,813,000 bales a year earlier.

## Textile Situation

United States

Cotton textile activity during November as measured by consumption of raw cotton when adjusted for the number of work days was about the same as during October. Consumption during November amounted to about 415,000 running bales compared with 444,000 bales during October and 541,000 bales during November 1929, according to the Bureau of the Census. During the nine years 1920-21 to 1928-29 consumption during November averaged about 2,000 bales below October consumption. Total consumption during the first four months this season amounted to 1,606,000 bales compared with 2,286,000 last year. The average monthly rate of consumption during the first four months this season was 402,000 bales compared with an average of 572,000 bales during the same period last season.

During November sales of standard cotton cloth were below shipments and shipments were below production which resulted in an increase in stocks and a decrease in unfilled orders. The weekly average production during November amounted to 51.7 million yards, or 5.9 million yards above October and 17.3 million yards or 25.1 per cent below November last year according to reports of the Association of Cotton Textile Merchants of New York. During the three previous years for which data are available the weekly average production during November has been on the average 2.1 million yards below October. Sales of cotton cloth during November averaged 45.8 million yards a week or 88.6 per cent of production. This compares with an average of 67.2 million yards during October with a ratio to production of 146.7 per cent. Although sales averaged 21.4 million yards per week below October they were 1.2 million yards above the weekly average during November, 1929 and the ratio to production was 24.0 per cent higher than the ratio during November a year ago. During the four years 1927-1930 sales during November have averaged 22.1 million yards per week below October. The weekly average of shipments during November was 50.2 million yards compared with 54.1 million yards during October and 55.3 million yards during November last year. The decline of 3.9 million yards in the weekly average shipments during November compared with October was less than the average decline of 6.0 million yards for the four years 1927-1930. The ratio of shipments to production during November amounted to 97.1 per cent compared with 118.1 per cent during October and 80.1 during November, 1929. As a result of shipments dropping below production stocks at the end of November were about 6.0 million yards or 1.7 per cent higher than at the end of October. However, they were 74.6 million yards lower than last year and with the exception of October were the lowest since September, 1929. The decline in sales as compared to shipments in November brought about a decrease of 5.0 per cent in unfilled orders during the month. The total at the end of November which amounted to 333.3 million yards compares with 350.8 million yards at the end of October and 342.2 million yards at the end of November last year. With the exception of a month earlier unfilled orders are still the largest since last April.

Great Britain

The decline in exports of cotton piece goods and yarns from Great Britain during November which reflects the continuation of unsatisfactory conditions especially in the Orient, has made the outlook for the British industry less favorable than a month ago. Exports of cotton piece goods during November amounted to 130.3 million square yards, 20.0 million yards below October and 153.7 million yards or 54.1 per cent below November, 1929. This was the lowest for the season and was 15.3 million square yards below the low of 1921. Exports during the first four months this season totaled 591.3 million square yards compared with 1108.6 million during the same period last season or a decrease of 46.7 per cent. According to weekly cables from Liverpool and Manchester, the demand for both cotton yarn and piece goods continues rather inactive. The low price of silver continues to hamper trade with China.

Although exports of cotton yarn in Great Britain during November which amounted to 11.0 million pounds were 700,000 pounds below October, they were above any month with the exception of October since last May and were only 1.5 million pounds below November, 1929. During the ten years 1920-21 to 1929-30 exports of cotton yarns during November averaged practically the same as during October. Total exports during the first four months this season amounted to 42.0 million pounds compared with 61.5 million pounds during this period last season or a decrease of 31.7 per cent.

## Continental Europe 1/

Slightly more active conditions have developed in the European cotton textile industry during October and early November, but the movement, though fairly general, was entirely seasonal. No basic revival is yet evident and the general level of activity in Central and Northwestern Europe, as well as Italy, continues unsatisfactory. Only in France does occupation still continue good and a slightly downward tendency is also evident there.

The volume of business in yarns booked by spinners in October and early November was larger than in the previous month in practically all countries on the Continent, with most of the business developing toward the end of October when the raw material market was moving upward. This revival in business was very largely seasonal in character, but there is no doubt that the advance in raw cotton prices tended to bring increased bookings for spinners, and weaving establishments also shared in the larger sales. As a result of the slightly better order situation, it appears that a small rise in both spinning and weaving mill activity has recently occurred in Central Europe and in Italy, though not more than a normal increase for this time of the year. The mills in Central Europe have found it possible to raise output because of the very favorable stock situation, coupled with increased sales. In Italy the maintenance, for several weeks, of a favorable ratio of sales to the much reduced output has enabled a slight pick-up in spite of the fact that stocks are still important.

### Germany

Conditions in the German cotton textile industry have not shown material change recently, though a slight improvement in both mill sales and mill activity has been evident during October and early November.

Spinners reported very quiet business during most of October, but some revival was evident toward the end of the month in all branches of cotton spinning, largely as a result of seasonal tendencies, but partly because of the rise in raw cotton prices. Delivery against old contracts was also asked for in increasing volume. At the same time, however, spinners continue to point out that margins are unsatisfactory. Spinning mill activity, which showed a considerable rise in July following the low

1/ Based on cable from Agricultural Commissioner L. V. Steere at Berlin, dated November 26, 1930.

figure for June, dropped again from 96.8 to 88.8 in August and rose slightly to 89.1 per cent of average in September 1930. October activity appears to have been somewhat above this level.

Reports from the weaving section are about unchanged compared with a month ago, with no improvement evident which would extend beyond seasonal limits. That the pick-up is largely seasonal, is indicated by the better demand for certain winter fabrics, reports pointing, among other things, to somewhat better export business to the Netherlands and to England with respect to winter specialties. Prices continued to be complained of, however, and weaving mill activity has not been much increased. There was a slight rise from 65.2 per cent in August to 66.5 per cent of full capacity in September 1930.

The situation with respect to yarn and goods stocks continues satisfactory, as stocks are very low. Retail textile reports indicate no significant developments.

Imports of cotton yarn during October amounted to 4,621,000 pounds compared with 4,200,000 pounds during September and 5,210,000 pounds during October, 1929 or an increase of 10 per cent over September and decrease of 11 per cent from October last year. This increase over September was largely seasonal as imports during October are usually considerably above September. Imports of woven materials during the month of October which amounted to 1,243,000 pounds was 79,000 pounds above September and 241,000 pounds below October a year ago. This increase during October is also seasonal for during the last five years, imports during October have averaged 328,000 pounds above September.

Bankruptcies in the German textile trade continue at an unusual level, but the high point of the wave is doubtless passed. The development of propanganda for new uses of cotton within Germany, contemplated since last year, has now apparently reached a significant stage with the establishment of an office for research in propaganda possibilities.

Spinner buying of raw cotton at Bremen around the middle of October was quiet despite somewhat more interest for "roughish" Indian cotton. Toward the end of October spinner demand increased again, however, and was greatly stimulated by the rise in raw cotton prices as well as by the firmness of the "basis". Transactions included winter months and also purchases further into 1931. Indian cotton was also in active demand, but exotics continued to be neglected. The first part of November brought a considerable decline of spinner buying as well as price-fixing (which was also heavy prior to November 1), because of the decline in the raw cotton market. C.i.f. import buying was generally not large during October and November and confined to bargain purchases.

Czechoslovakia

Reports from the Czechoslovakian cotton textile industry are not at all encouraging, but a moderate improvement in both spinner and weaver sales as well as mill activity seems to have occurred during the month of October. Activity figures for October, when available, are expected to show slightly higher spinning mill operations than the 74 per cent reported for September. Spinning mill activity in July was 69.8 per cent and in August 73.6 per cent.

Leaders in the Czechoslovakian cotton industry have finally reached the conclusion that, surrounded as the country is by an array of high protection countries, the present volume of surplus producing spindleage capacity cannot be maintained. In common with the banks interested, Czechoslovakian spinners have drawn up a program according to which 600,000 cotton spindles in Czechoslovakia (Egyptian spindles not considered) shall be bought up and destroyed. It is planned that the spinners, by levies based upon remaining spindles, will collect the money necessary for repayment of the credit to the banks within a few years. More recent reports, however, indicate some doubt as to the realization of this plan.

Austria

Critical conditions continue in Austria, both in spinning and weaving mills, and it is reported that no seasonal improvement has yet occurred, either in sales or in mill activity. Despite the fact that about 25 per cent of the weaving mills are closed down, the Austrian weaving section has not yet succeeded in getting on to a sound basis, although its capacity is largely below domestic requirements. It is reported that the situation was aggravated through recent keen competition from southern German weaving mills, in a field which is normally affected only by Czechoslovakian offers.

The latest spinning mill activity figure is for the month of September and is 82 per cent of full capacity, an increase of 2 per cent over August, and 14 per cent over the low level of July. Although this figure is 6 per cent above September 1929 and 7 per cent above September 1928, the spindleage has been reduced by about 30 per cent compared with 1929.

Hungary

Conditions in the Hungarian cotton textile industry remained satisfactory, with active yarn and fabrics business developing toward the end of October as a result of the rising raw cotton market. Early November business, however, was restricted, particularly for more distant deliveries. This also was attributed to conditions in the raw cotton market, with the renewed decline making buyers reluctant.

France

The French cotton textile industry as a whole still reports a rather satisfactory level of occupation with business somewhat improved recently as compared with previous weeks. It appears, however, that activity has been slightly reduced since the first half of the year as a result of less favorable sales around the middle of the year and subsequently.

Sales of cotton yarn were still quiet around the middle of October, especially at Roubaix-Tourcoing, but the increase in raw cotton prices stimulated purchases of cotton yarn even for very distant months, especially coarser counts. Roubaix-Tourcoing profited from this movement as well as Rouen, Epinal and the Alsacian mills. Spinners at Roubaix have hoped that the pick-up would help to reduce the stocks accumulated during previous periods, but early November reports were less satisfactory with some drop in the rate of sales reported from Roubaix and Rouen. Spinning mill activity is slightly reduced in the Roubaix district through the medium of dropping of second shifts or reducing working hours. Activity in other regions was unchanged.

Business of French weaving mills is reported generally good with new sales made even into June 1931, particularly following the rise in the raw cotton market at the end of October. This improvement in business is indicated to be largely due to a relatively active demand from the colonies. Weaving mill activity is reported as unchanged at previous favorable levels.

October and early November demand for raw cotton by French spinners was generally quite good and at times even very active during the October period of rising raw cotton prices and firm basis quotations. Price-fixing also became heavy and spinner purchases of futures ran high during this period. It is said that French spinners have covered already much of this season's cotton requirements.

Belgium

Unsatisfactory conditions in the Belgian cotton textile industry continued during October and the early part of November. The sale of cotton yarn as well as cotton goods continued difficult and further reduction of mill activity in certain regions proved unavoidable, with spinners relatively worse off. The situation, however, varies widely according to mills, some still reporting good conditions. Fabrics exports to South America are reported to have suffered somewhat from the political troubles there.

Italy

Reports indicate that the month of October has brought some slight improvement for the Italian cotton textile industry, the position of which

had been steadily becoming more unsatisfactory over a period of several months. Spinning mill activity, which had declined from 68.9 per cent of full capacity in June to 65.7 per cent in August 1930, seems to have risen slightly in recent weeks as a result of the somewhat improved ratio of sales to output existing for several weeks. New sales of cotton yarn have been larger than the current level of production, and if this situation continues it will of course bring a revival of Italian cotton mill activity. Stocks of cotton yarn, however, are reported still somewhat above last year, and unfilled orders considerably below, so that a marked revival must await further improvement in sales. Mill activity is about 30 per cent below last year.

In the recent general assembly of the association of the Italian cotton industry it was pointed out that the Italian cotton textile industry has been encountering considerable difficulties since the beginning of this year. It was stated that the number employed was reduced from 230,000 to 180,000 workers from the beginning to the middle of 1930, and that a decline in exports is largely responsible for the unsatisfactory developments.

The bankruptcy of a large Italian cotton mill recently was a disturbing factor to the trade.

Poland

The pick-up in the Polish cotton textile situation reported during the Autumn months has been very short-lived. The temporary shortage of yarn resulting from the curtailment of production brought about by the yarn cartel gave the yarn market a fictitious appearance and contributed to a quite unjustified rise in prices. As a consequence, imports from Czechoslovakia and England rose considerably, the requirements of the weaving mills have been filled for the present, prices have had to be reduced again, and activity, which had been increased from 46 to 58 working hours per week, was reduced to 52 hours and is now as low as 46 hours again. Some observers believe that the textile outlook is not very bright in Poland because of the weakened purchasing power of the farmer through low farm prices. There can be no doubt, however, that the financial position of the spinners has greatly improved since the spinner cartel inaugurated its policy of rigorously controlling production and credit policies.

Soviet Russia

Figures on production of the Russian cotton textile industry during 1929-30 (October-September) which have just been published reflect the difficulties which have been reported as experienced by the industry in consequence of considerable shortage of raw material resulting from reduced importations of foreign cotton 1/ as well as from the somewhat disappointing crop harvested in 1929. Production of finished fabrics, which, since April 1930, has been running on a level below that of the

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1/ Imports during the first half of 1929-30 were about 15 per cent below the corresponding period of a year ago.

previous year, reached a low point in July and August 1930, when in addition to the usual seasonal decrease in production, shortage of raw material seems to have become acute. The following figures show the development of cotton cloth production by months for 1929-30 as compared with 1928-29 1/:

Table 2.- Cotton Cloth: Production in Russia, by months, October 1928 - September 1930

| Month | 1928-29 | 1929-30 |
|---|---|---|
| | Million yards | Million yards |
| Oct. | 272 | 261 |
| Nov. | 242 | 250 |
| Dec. | 248 | 274 |
| Jan. | 249 | 249 |
| Feb. | 250 | 272 |
| Mar. | 260 | 284 |
| Apr. | 303 | 289 |
| May | 227 | 167 |
| June | 285 | 170 |
| July | 211 | 84 |
| Aug. | 253 | 71 |
| Sept. | 297 | 156 |

Total Russian production of finished fabrics in 1929-30 amounted to 2,573,000,000 yards compared with 3,090,514,000 manufactured during 1928-29 or a decrease of 16.7 per cent. The original plan, therefore, which provided an 11.1 per cent increase in the production of finished cotton goods in 1929-30 as compared with 1928-29, was executed to the extent of only 75 per cent.

Japan

Price of cotton yarn in Japan has declined with the fall in price of cotton, but the decline in yarn has been less than in cotton, thus leaving a wider spread between the two prices according to a cable from Consul Dickover of Kobe to the Foreign Service of the Bureau of Agricultural Economics. Aided by this and by the low value of silver Chinese yarn is now being shipped to Japan in increasing quantities. This may cause relaxation of the curtailment rate thus relieving the artificial scarcity and lowering yarn prices. Mills are now making a good profit and yarn output is increasing despite nominal maintenance of the curtailment rate.

1/ It should be noted that the monthly figures on finished goods' production do not total up to the figures mentioned for the year as a whole. This discrepancy is probably due to the fact that the monthly figures were preliminary data, while the total for the year contains revised figures for separate months. The total of the monthly production figures for 1929-30 would be 2,529,000,000 yards compared with the final figure of 2,573,000,000.

The tendency is to produce a larger percentage of coarse yarn, which finds readier sale in hard times. This has resulted in a decrease in the proportion of American cotton consumed. Mills are still buying for immediate needs only. The production of cloth showed no change in early December as compared with November but exports are increasing. For the month of November exports exceeded any month since March.

## Production, acreage and crop condition reports

### United States

Production estimate - The December forecast of the United States crop was 14,243,000 bales of 500 pounds gross. This was 195,000 bales below the November forecast and approximately 585,000 bales below production last year. This season's production is equivalent to a yield of 150.8 pounds of lint per acre on the 45,218,000 acres left for harvest after abandonment of 2.1 per cent of the 46,191,000 acres in cultivation July 1. This average yield is 4.3 pounds below the average for the ten year period 1919 to 1928. In South Carolina, Alabama, Louisiana and California the crop to the end of November was turning out somewhat better than was anticipated a month earlier, while considerable declines occurred in Mississippi, Texas, Oklahoma and North Carolina and Georgia.

Quality of the crop - Of the cotton ginned prior to November 1 this year, 85.3 per cent was tenderable on futures contracts according to preliminary estimates, whereas only 78.8 per cent of the ginnings to this date last year were tenderable. There was a smaller per cent of 1-1/32 inches which was tenderable this year than last, the percentages being 9.2 and 11.3. The increase in tenderability this year as compared with last was due largely to staple length. Last year there was 20.2 untenderable in the staple length whereas there was only 14.0 per cent this year. The greatest percentage increase this year over last was in 15/16 inches and 31/32 inches. This group representing 5.5 per cent more of the total than it did last year. (See Table on following page.)

Table 3. - Grade, staple length and tenderability of cotton ginned in the United States, prior to November 1, 1929 and 1930

| Item | 1929 | | 1930 | |
|---|---|---|---|---|
| | 1/ Bales | Per cent | 1/ Bales | Per cent |
| Total Crop (as reported by the Bureau of the Census) | 10,891,900 | 100.0 | 10,865,600 | 100.0 |
| Total American Upland | 10,881,100 | 99.9 | 10,855,100 | 99.9 |
| Total American-Egyptian | 10,800 | .1 | 10,500 | .1 |
| Grades (American Upland): | | | | |
| White, Middling and better | 8,202,400 | 75.4 | 8,497,500 | 78.3 |
| White, Strict Low and Low Middling | 1,450,200 | 13.3 | 1,292,000 | 11.9 |
| White, Below Low Middling | 39,500 | .4 | 33,300 | .3 |
| Spotted and Yellow Tinged | 969,100 | 8.9 | 811,700 | 7.5 |
| Light Yellow Stained, Yellow Stained, Gray, Blue Stained | 4,100 | 2/ | 4,500 | 2/ |
| Tenderability on Section 5 futures contracts (American Upland): | | | | |
| Total Tenderable | 8,569,000 | 78.8 | 9,261,700 | 85.3 |
| Tenderable 7/8" to 1-1/32" inc. | 7,537,300 | 67.5 | 8,267,500 | 76.1 |
| Tenderable over 1-1/32" | 1,231,700 | 11.3 | 994,200 | 9.2 |
| Total Untenderable | 2,312,100 | 21.2 | 1,593,400 | 14.7 |
| Untenderable in Grade | 92,200 | .8 | 49,200 | .5 |
| Untenderable in Staple | 2,193,500 | 20.2 | 1,519,100 | 14.0 |
| Untenderable in both Grade and Staple | 26,400 | .2 | 25,100 | .2 |
| Staple (American Upland): | | | | |
| Under 7/8 | 2,219,900 | 20.4 | 1,544,200 | 14.2 |
| 7/8 and 29/32 | 4,061,500 | 37.3 | 4,254,000 | 39.3 |
| 15/16 and 31/32 | 2,092,200 | 19.2 | 2,680,400 | 24.7 |
| 1 and 1-1/32 | 1,262,700 | 11.6 | 1,381,100 | 12.7 |
| 1-1/16 and 1-3/32 | 664,800 | 6.1 | 656,600 | 6.0 |
| 1-1/8 and longer | 580,000 | 5.4 | 338,800 | 3.1 |

1/ Running bales, counting round as half bales.
2/ Less than one-tenth of one per cent.

Ginnings to December - Cotton ginned from the 1930 crop prior to December 1 amounted to about 12,835,000 running bales compared with 12,853,000 and 12,560,000 bales ginned during the corresponding periods of 1929 and 1928 respectively, according to the Bureau of the Census. Ginnings up to December 1 this year were only 18,000 bales below the ginnings to this date last year. This means that a considerably larger percentage of the crop has been ginned up to December than had been ginned to that date last year.

World summary of production and acreage -

Estimates of the 1930-31 crop have been received to date from 13 countries which produced about 85 per cent of the estimated world production last year. In these 13 countries the estimated production this year is 9.2 per cent above last year's production. Russia shows the greatest increase of any important country although the incomplete December estimate for India is slightly above last year. A number of the smaller countries also report increased production. The total world crop however is expected to be less than 1 per cent higher than in 1929.

The estimated acreage planted to cotton in 13 countries reporting to date (not the same 13 which have reported production) for the 1930-31 crop equals 0.5 per cent above last year's acreage. These 13 countries had 93 per cent of the estimated world total acreage last year. (See Table on following page.)

Table 4.- Cotton: Acreage and production in countries reporting for 1930-31, with comparisons

| Item and country | Average 1909-10 to 1913-14 | 1928-29 | 1929-30 | 1930-31 prelim. | Percentage 1930-31 is of 1929-30 |
|---|---|---|---|---|---|
| | 1,000 | 1,000 | 1,000 | 1,000 | |
| Acreage | acres | acres | acres | acres | Per cent |
| United States | 34,152 | 45,341 | 45,793 | 45,218 | 98.7 |
| India 1/ | 21,361 | 24,992 | 23,536 | 22,964 | 97.6 |
| Russia | 1,569 | 2,261 | 2,560 | 3,768 | 147.2 |
| Egypt | 1,743 | 1,805 | 1,912 | 2,162 | 113.1 |
| Uganda | 58 | 699 | 684 | 725 | 106.0 |
| Chosen (Korea) | 146 | 503 | 459 | 463 | 100.9 |
| Mexico | 253 | 502 | 492 | 400 | 81.3 |
| Anglo Egyptian Sudan | 44 | 284 | 369 | 398 | 107.9 |
| Greece | 19 | 38 | 35 | 49 | 140.0 |
| Spain | -- | 21 | 24 | 47 | 195.8 |
| Alaouite (Syria and Lebanon) | | 9 | 17 | 37 | 217.6 |
| Algeria | 2 | 12 | 14 | 14 | 100.0 |
| Bulgaria | 2 | 13 | 13 | 14 | 107.7 |
| Total above countries | 59,349 | 76,480 | 75,908 | 76,259 | 100.5 |
| Est. world total excl. China | 62,500 | 82,400 | 81,900 | 82,300 | |
| | 1,000 | 1,000 | 1,000 | 1,000 | |
| Production 2/ | bales | bales | bales | bales | Per cent |
| United States | 13,033 | 14,478 | 14,828 | 14,243 | 96.1 |
| India 3/ | 3,529 | 5,018 | 3,910 | 3,977 | 101.7 |
| Russia | 905 | 1,137 | 1,351 | 4/ 1,950 | 144.3 |
| Egypt | 1,453 | 1,672 | 1,725 | 1,697 | 98.4 |
| Mexico | 187 | 278 | 246 | 186 | 75.6 |
| Anglo Egyptian Sudan | 14 | 142 | 137 | 171 | 124.8 |
| Chosen (Korea) | 20 | 150 | 139 | 152 | 110.1 |
| Greece | 13 | 15 | 12 | 25 | 208.3 |
| Tanganyika | 5/ 8 | 23 | 23 | 18 | 78.3 |
| Union of So. Africa | 6/ | 10 | 8 | 12 | 150.0 |
| Spain | -- | 3 | 3 | 9 | 300.0 |
| Bulgaria | 1 | 3 | 4 | 5 | 125.0 |
| Algeria | 7/ 1 | 6 | 8 | 5 | 62.5 |
| Total above countries | | 22,935 | 22,394 | 24,450 | 109.2 |
| Est. world total, incl. China | | 26,100 | 26,500 | 26,400 | |

Official sources and International Institute of Agriculture, except as otherwise noted.

1/ Third estimate incomplete. 2/ In bales of 478 pounds net. 3/ First estimate, incomplete. 4/ Estimate reported by American Agricultural Commissioner Steere at Berlin. 5/ Average for four years. 6/ Less than 1,000 bales. 7/ Average for three years.

Compiled by the Foreign Service of the Bureau of Agricultural Economics from the latest available sources.

Egypt

The crop is now estimated to be 1,697,000 bales of 478 pounds net, according to a cable received from the International Institute of Agriculture at Rome. This is a decrease of 46,000 bales under the first estimate of this season's crop published in the November report and 28,000 bales under the final estimate of last season's crop. The estimated production of Sakellaridis is now 456,000 bales, 23,000 bales below the earlier estimate and 102,000 bales below the final estimate of last season. All other varieties are now estimated to be 1,241,000 bales, also a decrease of 23,000 bales under the earlier estimate, but an increase of 74,000 bales over the final estimate last year. A decree has been issued prohibiting the planting of Sakellaridis cotton in Egypt except in three provinces, according to a cable from P. K. Norris, Cotton Specialist of the Foreign Agricultural Service in Cairo. In these three provinces the acreage is to be limited to 40 per cent of the present acreage. In 1929 the area in cotton was 1,912,000 acres of which 880,000 acres were in Sakellaridis cotton. About 85 per cent of the Sakellaridis acreage is in the provinces of Gharbiya, Beheira and Daqahliya.

It is estimated that 769,000 bales of 478 pounds net of cotton including linters, have been ginned in Egypt up to December 1, according to a cable received by the Foreign Service of the Bureau of Agricultural Economics from the International Institute of Agriculture at Rome. This is a decrease of 98,000 bales or 11 per cent under the 867,000 bales ginned at the same date last year, and 209,000 bales or 21 per cent less than were ginned by December 1 of 1928. Of the total ginnings to the first of December, 163,000 bales were of the Sakellaridis variety. This is 63,000 bales or 28 per cent less than were ginned at the same date last year and 114,000 bales or 41 per cent less than were ginned by December 1 of the preceding season. It is estimated that 589,000 bales of other varieties were ginned, a decrease of 34,000 bales or 5 per cent under the estimate of 623,000 bales at the same date last year, and 89,000 bales or 13 per cent less than were ginned by December 1 of 1928.

This season there were 17,000 bales of linters ginned, 1,000 bales less than at the same date last year and 6,000 less than by December 1 of 1928.

Soviet Russia

Weather conditions appear to have been very favorable for the ripening of the cotton plant late into October, according to numerous Soviet reports, and the production outlook for Russian cotton this year is very promising, notwithstanding the downward revision of the acreage estimate some weeks ago. The yield is reported considerably above last year in Ferghana Valley, which is the most important cotton producing region of the Union, and where a good and, in some parts, an exceptional crop is reported to have been harvested.

The 1930-31 cotton procuring plan is fixed at 1,397,600 tons of unginned cotton, which would mean from 420,000 to 430,000 tons of

ginned cotton or 1,937,000 to 1,983,000 bales of 478 pounds net, depending upon the ginning outturn. The consumption of cotton by the growers themselves is normally very small. There is a possibility, however, of some loss of cotton through delayed harvesting, as well as a possible increase in home consumption of cotton by the growers themselves, in view of the reported poor supply of industrial goods in the cotton regions. The "beys" (rich cotton growers) are also reported to be leaving cotton unpicked and to be planting winter wheat in the cotton fields. Of all factors, however, the shortage of labor is the most important, as this problem was difficult to cope with a year ago, when the crop was much smaller. Some mention of the loss of cotton in consequence of untimely harvesting has already been made in the local press and, though it is difficult to say to what an extent this has been the case, this loss is sure to increase as the season advances.

The 1930 cotton procuring campaign started some weeks ago, with the press complaining at its slow pace as compared with plan. Up to November 10, only 44.2 per cent of the yearly plan was procured as compared with the 70.4 per cent contemplated in the plan. The harvesting difficulties in consequence of labor shortage, and other organization difficulties are chiefly responsible for the unsatisfactory development of the cotton procuring campaign, but the shipment of cotton to the textile mills is reported to be in line with current plans, though it should be noted that this refers only to the very early part of the season.

Mexico

The present cotton crop in Mexico is estimated to be 185,800 bales of 478 pounds net according to a report from the International Institute of Agriculture at Rome. This is a decrease of 60,200 bales under last year's crop and 92,200 bales under the crop of 1928. The acreage this season is estimated to be 400,000 acres, a decrease of 92,000 acres under last season and 102,000 acres less than in 1928-29.

Anglo-Egyptian Sudan

The cotton crop in Anglo-Egyptian Sudan is now estimated to be 171,000 bales of 478 pounds net, according to a cable received by the Bureau of Agricultural Economics from the International Institute of Agriculture at Rome. This is the same as the estimate at the same date last season. The final estimate was 137,000 bales. The acreage this season is estimated to be 398,000 acres, an increase of 25,000 acres over last year's acreage of 373,000 acres at this same date and 29,000 acres more than the final estimate for last year.

Brazil

The prospects for the cotton crop which were reported earlier in the season to be fairly good, have been entirely reversed by the drought. There is little doubt now that production will be below normal, according to a report received from the United States Consul at Pernambuco in December.

China

The present crop is expected to be somewhat larger than last season's crop of 1,960,000 bales of 478 pounds net, according to a cable received from Agricultural Commissioner Nyhus.

## Miscellaneous News

### Special Analysis of the World Cotton Situation

"The World Cotton Situation with Outlook for 1931-32 and the Long-time Outlook for Southern Agriculture", Miscellaneous Publication No. 104, which was prepared by the Bureau of Agricultural Economics is now available for distribution. Copies may be obtained upon request.

### Investigation of Drop in Cotton Futures

The joint resolution, H. J. Res. 195 by Senator Sheppard of Texas which was referred to the Senate last June, but was not acted upon before adjournment, passed the Senate December 3, 1930 and was sent to the House. This resolution provides for the authorization of the Secretary of Agriculture through the Grain Futures Administration to investigate the cause of the declines in the price of cotton in 1926, 1927, 1928, 1929, and the first half of 1930. The measure authorizes appropriations of $125,000 for the investigation.

### Textile Foundation Makes Definite Research Plans

At a recent meeting of the board of directors of the Textile Foundation which was established last June under an act of Congress, definite plans were made to conduct scientific research for the benefit of the textile industries and allied branches. The directors decided to: (1) request the United States Institute for Textile Research to assemble data on researches which have been completed or are now being conducted on textile problems, (2) request the American Association of Textile Chemists and Colorists to extend its work on color, (3) ask the Smithsonian Institute of Washington to complete textile material dictionary, and (4) plan for a major study of certain aspects of the distribution of textiles.

### Alexandria market closed two weeks.

Beginning December 11, 1930 the Egyptian Government has suspended cotton futures trading for two weeks with the hopes that demand conditions will improve by that time.

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